

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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COUNTRY China  
SUBJECT Chinese Communist Wage System  
and Labor Controls

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1. [redacted] the Chinese Communists tried to strengthen their control over labor by instituting a new wage system and a new allowance system in the principal and minor industries. In the principal industries wages were divided into eight separate classifications, with the wage standard in a particular area being dependent on the amount of construction in progress and the number of laborers available. The following were the principal industries affected: coal, steel, colored metal mining, power, heavy machine manufacturers, munitions, chemicals, machine repair, accessory suppliers, machinerparts manufacturers, and cotton yarn spinning and weaving.
2. In the minor industries wages were divided into seven classifications, with the particular wage dependent on which administrative zone the industry was in and the manpower available. The following were the minor industries affected: paper, rubber, leather, oil, publishing, clothing, rice by\*products, matches, and tobacco.
3. Wages of Northeast and East China were the highest, ranging from 180 to 220 units. Wages were lowest in the Northwest, averaging JMP 900,000 a month per worker. The workers had not reacted to the new wage system as the

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Communist authorities had hoped. In general the workers believed wages were too low. In the Northeast, since the institution of the eight classification system of wages, the production rate had decreased and the waste of and damage to machines had been very great. To counteract the resistance of workers to the new wage systems, the Communist authorities instituted a system of three types of allowances: the technical allowance, the factory maintenance allowance, and the regional allowance. By [REDACTED] 1952, 574,800 unemployed workers had registered at the Shanghai Municipal General Labor Union.

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